

ROSSOTTI ANNOUNCES NEW TOP MANAGEMENT TEAM

WASHINGTON -- The Internal Revenue Service today announced several changes to its top management structure as well its plans to make several key appointments. The changes will ensure the highest level of management focus on IRS modernization and service to taxpayers while maintaining the necessary attention on operations. Most of these changes will be effective by Sept. 15, 1998.

"These changes are part of our effort to place the right people in the right jobs to help move us toward the creation of a new, taxpayer-focused IRS," said Charles O. Rossotti, Commissioner of Internal Revenue.

"The appointments that Commissioner Rossotti is announcing today are another critical step in our effort to reform the IRS," said Treasury Secretary Robert E. Rubin.

"The personnel flexibilities we sought as part of the IRS reform law contributed greatly to our ability to recruit such talented individuals to lead and manage the IRS restructuring."

The most significant change is the creation of two Deputy Commissioner positions. Bob Wenzel, who became the IRS's Chief Operations Officer in April 1998, will be the Deputy Commissioner for Operations. In 1997 Wenzel co-chaired a task force which prepared the report on reinventing customer service at the IRS. John LaFaver, Secretary of Revenue for Kansas, will be named the Deputy Commissioner for

Modernization. While Secretary of Revenue in Kansas, LaFaver created a customer-oriented organizational culture that used cutting-edge technology to deliver rapid and accurate service to taxpayers, a major goal of the IRS. LaFaver also has held the position of Revenue Commissioner in Maine and Montana.

Paul J. Cosgrave will fill the position of Chief Information Officer. Cosgrave has spent 25 years in the information technology industry. As a partner at Andersen Consulting, he worked with major clients in the financial services industry on large-scale technology programs. Most recently, he was president and CEO of Claremont Technology Group.

W. Val Oveson will be named the National Taxpayer Advocate. As Chairman of the Utah State Tax Commission since 1993, Oveson initiated re-engineering efforts that significantly improved the agency's customer service operations. His work also resulted in a streamlined appeals process and a new mediation process to handle disputes, focusing on alternative dispute resolution practices. Previously, Oveson directed a high-level council in Utah that provided outreach and advocate services to small businesses.

John Dalrymple, the current Deputy Chief Operations Officer, will move into the position of Chief Operations Officer, vacated by Bob Wenzel.

Darlene Berthod, currently Director of the Pennsylvania District, will assume the role of Deputy Chief Operations Officer, vacated by Dalrymple.

John Stocker, the Director of the Kentucky-Tennessee District, will assume the role of Assistant Deputy Commissioner for Modernization.

David A. Mader, the Chief Management and Administration, will assume the additional responsibilities for finance and program evaluation. His title will change to Chief Management and Finance.

Lynda Willis has been selected to fill the newly-created position of Deputy Chief Management and Finance. Willis comes to the IRS from the General Accounting Office, where she was the Director of Tax Policy and Administrative Issues. Willis, who was involved in GAO audits of the IRS for twelve years, will focus on improving internal operations at the IRS.

Donna H. Cunninghame will be the new Chief Financial Officer, reporting to Mader. She has been the CFO of the Corporation for National Service since 1996. Before that, she served as the first full-time CFO of the Resolution Trust Corporation and has held other high-level positions in finance.

Ronald P. Sanders will become the new IRS National Director of Education, responsible for IRS-wide training in the areas of technical tax law, leadership and customer service. Sanders was the director of civilian personnel management at the Department of Defense. Most recently, he was the Executive Director of the George Washington University's Center for Excellence in Municipal Management, a public-private partnership that helps municipal governments build leadership and management expertise through innovative education programs.

The Taxpayer Treatment and Service Improvements office will be co-led by the IRS and the Treasury Department. Judy Tomaso, formerly the Assistant to the Deputy Commissioner, will head up this effort for the IRS. Lisa Ross, Deputy Assistant Secretary for Management at Treasury, will be co-leader.

“I believe that this top level team has the combination of experience and commitment from inside and outside the IRS to manage the major and challenging process of change underway at the IRS,” said Rossotti. “This is only a first step. We will be continuing active recruiting externally and internally to fill positions in the new IRS operating divisions that will begin to be established next year.”

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